



**AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS**

|   |  |   |                                      |
|---|--|---|--------------------------------------|
| <b>ITEM TITLE</b><br>Approve renewal of five three-year revenue contracts totaling up to \$690,000 for Solano County Fleet Management to provide vehicle rental services and maintenance services to the City of Dixon, City of Rio Vista, City of Suisun City, Solano Community College, and Solano County Office of Education for the period July 1, 2011 to June 30, 2014; and Delegate signing authority to the County Administrator for the contracts, to include any minor modifications advanced by the customers that are consistent with the agreement |  | <b>BOARD MEETING DATE</b><br><br>June 14, 2011  | <b>AGENDA NUMBER</b><br><br><b>8</b> |
| <b>Dept:</b><br><b>Contact:</b><br><b>Extension:</b>  | General Services<br>David Bastian, Fleet Manager<br>421-7281 | <b>Supervisorial District Number</b><br><br>ALL |                                      |
|   | <b>Published Notice Required?</b>                            | Yes _____                                       | No <u>  X  </u>                      |
|   | <b>Public Hearing Required?</b>                              | Yes _____                                       | No <u>  X  </u>                      |

**DEPARTMENTAL RECOMMENDATION**

The General Services Department recommends that the Board of Supervisors:

1. Approve renewal of five three-year revenue contracts totaling up to \$690,000 for the Fleet Management Division of the General Services Department to provide vehicle rental services and maintenance services to the City of Dixon, City of Rio Vista, City of Suisun City, Solano Community College, and Solano County Office of Education for the period July 1, 2011 to June 30, 2014.
2. Delegate signing authority to the County Administrator for the contracts, to include any minor modifications advanced by the customers that are consistent with the agreement.

**SUMMARY**

As part of an on-going effort to partner with other local government entities to achieve economy of scale and efficiencies in fleet operations, the Fleet Management Division of the General Services Department has developed renewal contracts to provide continuing vehicle rental services and maintenance services to the City of Dixon, City of Rio Vista, City of Suisun City, Solano Community College, and Solano County Office of Education. The term of each standardized contract agreement is for a three-year period beginning July 1, 2011 and ending

June 30, 2014. Each contract has an automatic extension period of three months to allow for continuation of services and sufficient time to complete a renewal contract.

## **FINANCING**

The Fleet Management Division will receive between \$500,000 and \$690,000 per fiscal year as a result of these five contracts. The annual revenue includes charges for vehicle rental and maintenance of equipment owned by each jurisdiction, which is billed on a time and materials basis. The maximum amount of annual revenue associated with each contract is:

|                                   |                  |
|-----------------------------------|------------------|
| City of Dixon                     | \$180,000        |
| Solano Community College          | \$ 80,000        |
| Solano County Office of Education | \$180,000        |
| Suisun City                       | \$160,000        |
| City of Rio Vista                 | <u>\$ 90,000</u> |
|                                   | \$690,000        |

Approximately \$83,000 of the annual revenue helps cover a portion of Fleet's overhead expenses that would otherwise be passed on to County departments utilizing Fleet's services.

## **DISCUSSION**

Consistent with Board of Supervisor's direction, the Fleet Management Division of General Services approaches other governmental agencies to explore the opportunity for coordination and/or streamlining of fleet services. By contracting with outside agencies to provide vehicle rental and maintenance services, Fleet Management is able to spread the overhead costs of its operation over a larger customer base, resulting in lower rates for Solano County departments and participating agencies.

Fleet Management has provided rental vehicles to outside agencies since 1994, and now has 91 vehicles in use by these agencies. Current contracts with each of the five agencies will expire on June 30, 2011. Fleet Management has provided standard renewal contracts to each of the agencies to continue the relationship for the next three fiscal years. Fleet Management and the participating agencies desire to continue the inter-agency partnership and are requesting approval of the standardized agreements.

## **ALTERNATIVES**

The Board could choose to not approve the standardized contracts and direct Fleet to discontinue providing vehicle rental and maintenance services to other local agencies. This is not recommended as the additional fleet vehicles provided to the outside agencies spread the overhead and operating costs over a larger number of vehicles, which reduces the monthly cost to Solano County Departments as well as provides reduced costs to outside agencies due to the economy of scale achieved by the County.

**OTHER AGENCY INVOLVEMENT**

The Office of County Counsel has worked with the Fleet Division to develop the standardized contracts and has reviewed each of the contracts for legal sufficiency.

**CAO RECOMMENDATION**

**APPROVE DEPARTMENT  
RECOMMENDATION**

**DEPARTMENT HEAD SIGNATURE:**



Michael Lango, Director of General Services

- Attachment A: Contract with the City of Dixon
- Attachment B: Contract with the City of Rio Vista
- Attachment C: Contract with the City of Suisun
- Attachment D: Contract with Solano Community College
- Attachment E: Contract with Solano County Office of Education